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May 23, 2007

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REGION 1

**VIA FIRST CLASS MAIL & FEDERAL EXPRESS**

Richard McKinley  
United States Nuclear Regulatory Commission  
Attn: Licensing Assistance Team  
Region 1-475 Allendale Road  
King of Prussia, PA 19406

03009138

**Re: Affiliation of Moses Taylor Hospital (License No. 37-5456-01), Mid-Valley Hospital  
(License No. 37-20548-01 and Community Medical Center (License No. 37-11507-01))**

15456

Dear Mr. McKinley:

03019400

03003142

We are writing on behalf of Moses Taylor Hospital ("MTH") and Mid-Valley Hospital ("Mid-Valley"). Pursuant to 10 C.F.R. § 30.34(b), this letter is to notify you of the anticipated affiliation of Community Medical Center ("CMC"), MTH and Mid-Valley (collectively, the "Hospitals") which is expected to occur on or about June 15, 2007 (the "Effective Date"), and the creation of Northeast Pennsylvania Healthcare System ("NPHS"), as the sole corporate member of MTH and Mid-Valley.

No change in ownership or control of either MTH or Mid-Valley will occur as defined in 10 C.F.R. §30.34(b) as a result of the affiliation or creation of NPHS as the sole corporate member of each of MTH and Mid-Valley, because both MTH and Mid-Valley will maintain authority over their operations, including authority over the MTH and Mid-Valley licenses.

In support of our position that the affiliation does not result in a change of ownership or control for either MTH or Mid-Valley, we will apply the criteria set forth as requirements in NUREG 1556, Volume 15, to the facts of this affiliation, as set forth below. It is anticipated that CMC has notified your office of the affiliation in separate correspondence.

140546 / 140547 / 140548

NMSS/RGN1 MATERIALS-002

1. Description of the Transaction:

(a) Background Concerning MTH and Mid-Valley

MTH is a Pennsylvania non-profit, nonstock corporation, MTH is located at 700 Quincy Avenue, Scranton, Pennsylvania 18510. MTH operates a Pennsylvania licensed acute care hospital and operates a wide variety of inpatient and outpatient services. MTH has a Material License (No. 37-15456-01) issued by the Nuclear Regulatory Commission.

MTH currently has a Certificate of Regulation for Radiation Producing Machines issued by the Pennsylvania Department of Environmental Protection (S F ID No. 403911) Registration ID 10-03965) for its hospital facilities and a Certificate of Registration for Radiation Producing Machines issued by the Pennsylvania Department of Environmental Protection (S.F. ID No. 383800) (Reg. ID No. 20-48091) for its outpatient facility at 315 S. Main Street, Old Forge, Pennsylvania.

Mid-Valley is a Pennsylvania non-profit nonstock corporation, located at 1400 Main Avenue, Peckville, Pennsylvania. Mid-Valley operates a Pennsylvania licensed acute care hospital which is certified by Medicare as a Critical Access Hospital. Mid-Valley has a Materials License No. 37-20548-01 issued by the Nuclear Regulatory Commission.

Mid-Valley currently has a Certificate of Registration for Radiation Producing Machines (S.F. ID No. 403958 Registration ID No. 10-04249) issued by Pennsylvania, Department of Environmental Protection.

When the anticipated Integration occurs, the Northeast Pennsylvania Healthcare System ("NPHS"), a Pennsylvania non-profit, non-stock corporation, will be the sole corporate member of MTH and Mid-Valley.

(b) The Affiliation

The current governing boards of CMCHS, MTHCS and the Hospitals have determined that by entering into an affiliation and creating a regional integrated health care delivery system, they will preserve and enhance their charitable missions by improving the continuity and quality of health care services by ensuring the continued local availability of health care facilities and health care providers, and increasing access to necessary health care services.

To effectuate the affiliation, CMCHS and MTHCS will cause the formation of a new nonprofit, nonstock corporation, NPHS, and each Hospital, i.e. CMC, MTH and Mid-Valley, will name NPHS as its sole corporate member. As a sole member of the Hospitals, NPHS will exercise control and supervision over the Hospitals as part of a clinically, financially and administratively integrated health care system. The boards of directors of MTH and NPHS will be comprised of the same persons, and the Board of Mid-Valley will not change.

The Articles of Incorporation and Bylaws of each of MTH and Mid-Valley will be amended to cause NPHS to become their sole member and to effectuate other changes as described above. The Bylaws of each of MTH and Mid-Valley will provide for certain powers reserved for the sole member.

It is currently anticipated that each of MTH and Mid-Valley will retain their separate legal identities (including current names), will continue to operate their services and operations at the same locations and will maintain all applicable licenses, registrations, permits and verifications related to such services, including their respective licenses issued by the Nuclear Regulator Commission and the Pennsylvania Department of Environmental Protection. All contact information for each MTH and Mid-Valley will also remain the same.

2. Changes of Personnel.

The affiliation will not result in any change in management individuals listed on any of the license or any managements thereto. The current Radiation Safety Officers of MTH and Mid-Valley will remain as the Radiation Safety Officers after the affiliation.

3. Changes of Location, Equipment and Procedures.

Neither MTH nor Mid-Valley currently have any plans to change locations, facilities, equipment or procedures. As stated above, each of MTH and Mid-Valley will retain its separate legal identity and name. There will be no changes in the place of use of the licensed materials, facilities in which the licensed materials will be used or stored, equipment to be used in the licensed programs, procedures for use and storage of the licensed materials, or personnel for MTH or Mid—Valley.

4. Surveillance Records.

The required surveillance programs of MTH and Mid-Valley are current and will be current as of the Effective Date. All required surveillances has been performed, documented and reviewed in compliance with all applicable statutes and regulations.

5. Decommissioning and Related Records Transfer.

Required records of MTH and Mid-Valley will remain at their current locations. Each of MTH and Mid-Valley will continued its current practices in maintaining such required records. Because each of MTH and Mid-Valley intend to continue to operate under its current license at the same locations, each respective entity will continue to be responsible for the documentation and decommissioning of its facilities in accordance with all applicable laws and regulations.

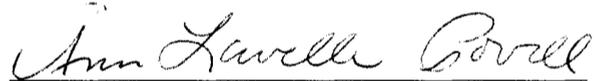
6. Transferee's Commitment to Abide by the Transferor's Commitments.

MTH and Mid-Valley will continue as the licensees under their materials licenses and will continue to abide by all constraints, license conditions, requirements, representations and commitments identified in and attributed to its existing license. Further MTH and Mid-Valley will continue as the licensees under their certificates of radiation-producing machines and will continue to abide by all constraints, license, conditions, requirements, representations and commitments identified in and attributed to the existing licenses.

If you require any additional information regarding the affiliation or have any questions please call me at (570) 963-8880. Thank you.

Very truly yours,

Nogi, Appleton, Weinberger & Wren, P.C.



Ann Lavelle Powell, Esquire

ALP/sc

cc: Harold Anderson, President, MTHS  
John Nillson, CEO, CMCHS  
Pennsylvania Dept. of Environmental Protection  
Bureau of Radiation Protection  
Radioactive Materials Licensing Section

This is to acknowledge the receipt of your letter/application dated

5/23/2007, and to inform you that the initial processing which includes an administrative review has been performed.

ATTEND. 37-15456-01/37-20548-01/37-11507-01  
There were no administrative omissions. Your application was assigned to a technical reviewer. Please note that the technical review may identify additional omissions or require additional information.

Please provide to this office within 30 days of your receipt of this card

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A copy of your action has been forwarded to our License Fee & Accounts Receivable Branch, who will contact you separately if there is a fee issue involved.

Your action has been assigned **Mail Control Number** 140546/140547  
When calling to inquire about this action, please refer to this control number.  
You may call us on (610) 337-5398, or 337-5260. 140548